TRAVEL PRINTOUT

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Research News for the U.S. Travel Industry

U.S. Travel Data Center

October 1984 Volume 13, Number 10

SPEAKERS EXPRESS RESTRAINED OPTIMISM AT TRAVEL OUTLOOK FORUM

Echoing the mood of U.S. Travel Data Center Director Douglas C. Frechtling's summary of the travel industry up to mid-year 1984, panelists and speakers at the tenth annual Travel Outlook Forum on September 14 projected a generally confident picture for the industry in the coming year, but avoided unqualified rhapsodies about its prospects.

Frechtling reported that although travel industry receipts in the first half of 1984 rose nearly 11 percent over year-earlier figures, a rate of growth nearly 20 percent greater than that registered in 1983, U.S. resident travel during first-half 1984 fell 4 percent from the previous year, suggesting some deterioration from the 1 percent decline for full year 1983. Frechtling attributed the decline to dramatically increased purchases of consumer durable goods such as houses, automobiles and home furnishings.

John Naisbitt, author of the best-selling Megatrends, told the forum that leisure, travel and entertainment will be a major economic growth area for the future, due to increasing affluence and vacation time and a decrease in the average number of working hours per week.

Director of the U.S. Travel and Tourism Administration's Office of Research Don Wynegar predicted a varied worldwide market for travel to the U.S. and a relatively flat 1985. Total outbound travel overseas will continue to be strong, helped by North Atlantic fare wars and the strength of the dollar abroad, although the rate of the dollar's appreciation is expected to show a downturn of about 5 percent during 1985.

Charles Lieberman, vice president and senior economist at Shearson Lehman/American Express, predicted that airline deregulation and the relative decline of unions as a force in the labor market will provide the downward pressures on wages that enable air carriers to charge the lower fares. However, growth in the travel industry will not be uniform, Lieberman said. "When airline fares come down as much as they have on some routes, the competitive pressures will fan out to other competing industries."

Panels presented the outlook for various travel industry sectors, including a panel on business travel which projected that the rate of business traffic growth will be double the GNP growth rate for 1985. The business lodging market will continue to improve amenities for business travelers, although frequent traveler programs may not continue as they have in the past, as these programs are quite costly. Business travel from the U.S. to Europe will show more growth than from Europe to the U.S., reflecting the relative strength of the dollar.

The panel on air transportation

(Continued on page 3)

FIRST QUARTER TRAVEL DECLINES

The number of American travelers during the first quarter of 1984 declined 7 percent from levels recorded one year earlier, according to the U.S. Travel Data Center's 1984 National Travel Survey First Quarter Report, released today.

U.S. residents took 152 million person-trips during first quarter 1984, 23.5 million fewer person-trips than during the same quarter of 1983, a 13 percent drop. (A person-trip is mea-

(Continued on page 3)

TRAVEL PRICES RISE MODERATELY IN AUGUST

Moderating transportation costs held the increase in the cost of travel in the U.S. in August to 0.6 percent, according to the U.S. Travel Data Center's Travel Price Index (TPI). August's increase follows a 1.1 percent jump registered in July.

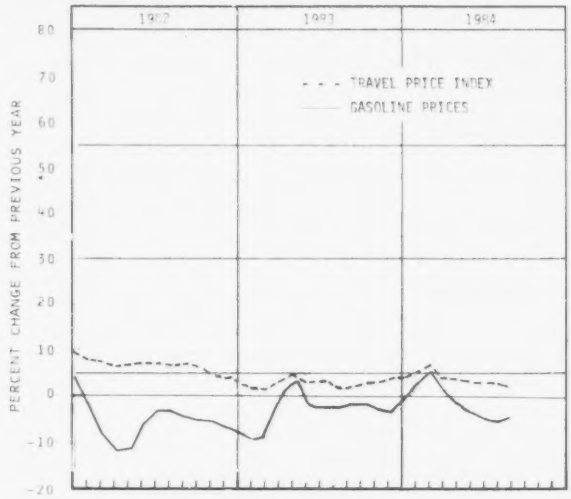
For comparison, the Consumer Price Index (CPI) rose 0.4 percent on a seasonally unadjusted basis in August 1984.

The TPI, which measures changes in the seasonally unadjusted cost of lodging, food, transportation and other goods and services purchased by Americans traveling away from home in this country, stood at 369.6 in August (1967=100).

The cost of lodging while out of town climbed 1.8 percent to lead all TPI components, followed by a 1.0 percent increase in incidentals. Airline fares rose 0.9 percent.

On the other hand, gasoline prices dropped 1.1 percent from July's level, while taxicab and intercity train fares remained unchanged from the previous month.

The TPI has increased 4.2 percent since July of last year, the same as the increase in the CPI. Lodging costs grew 8.5 percent to lead all components during this period, followed by a 7.9 percent increase in airline fares. Gasoline prices, however, are 6.1 percent lower than one year ago. ##



DECLINING GASOLINE PRICES MODERATE TPI

Monthly and Annual Rates of Change in the Travel Price Index and Components
August, 1984

TPI Component	Monthly Percent Change July, 1984 to August, 1984	Annual Percent Change August, 1983 to August, 1984
Transportation	0.0	1.3
Airline Fares	0.9	7.9
Intercity Bus Fares	0.5	6.9
Intercity Train Fares	0.0	4.8
Taxicab Fares	0.0	2.6
Gasoline	-1.1	-6.1
Lodging	1.8	8.5
Food Away From Home	0.3	4.5
Entertainment Services	0.5	6.0
Incidentals	1.0	2.1
TRAVEL PRICE INDEX	0.6	4.2
CONSUMER PRICE INDEX	0.4	4.2

Source: U.S. Travel Data Center and U.S. Bureau of Labor Statistics

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TRAVEL PRINTOUT reports on the results of Data Center projects, national travel research conducted by other respected organizations, and trends in the U.S. travel industry. Subscriptions are available for $45 per year, U.S., Canada and Mexico; other foreign countries, $55 per year, payable in U.S. funds only.

FORUM (CONTINUED FROM PAGE 1)

projected a 5 percent growth rate for airlines through 1989, with growth in the major airlines somewhat slower. The number of travel agents will increase about 10 percent in 1985. Commissions will continue to rise because of airline competition, and automation will become an increasing part of airline ticket sales.

The panel on ground transportation suggested that a key factor in rail transportation growth will be continuing innovative marketing and expansion of regular train services such as the auto-train. Fuel supplies and prices show good stability, indicating highway travel will continue to be strong, although bus travel faces a 7 percent decline in revenues for 1984 and a 5 percent decline for 1985.

SURVEY (CONTINUED FROM PAGE 1)

sured each time anyone goes 100 miles or more away from home.)

Continuing the trend towards increasing trip duration evident since the first quarter of last year, the average trip during first quarter 1984 lasted 5.2 nights, up from 5.1 nights last year. However, average trip distances declined 1 percent.

Travel for "other pleasure" purposes such as outdoor recreation, sightseeing and entertainment, had the smallest decline, 7 percent. Vacation person-trips declined 5 percent, and convention/business travel fell 7.5 percent.

The Mountain West region was the only destination area to report growth for first quarter 1984 over last year, although travel to The South still comprised the largest share in the U.S.

The 1984 National Travel Survey First Quarter Report is based on telephone interviews with over 1,400 adult Americans each month. It is being sent to members of the Data Center and is available to others for $65.00 prepaid from the U.S. Travel Data Center, 1899 L Street NW, Suite 610, Washington, DC 20036. ##

The panel on accommodations projected a 10.3 percent increase in hotel/motel room sales for 1985, along with a 6 percent increase in room rates. Transportation- or tourism-related foodservice will experience an almost 7 percent increase in 1984, continuing strong growth into 1985. The cruise sector also shows strong growth potential for 1985, with more ships offering more amenities under construction. Cruises of seven days or more are now gaining popularity over shorter cruises.

According to the panel on recreation and attractions, attendance at cultural attractions and participation in outdoor recreation is up across the board. Growth in the theme park industry, projected to be 5 percent for 1985, will be limited by a lack of increase in average per capita leisure time in the near future.

The complete and updated forum proceedings will be available in the 1985 Outlook for Travel and Tourism, to be released in January. It will be sent to Data Center members and is available to others by sending $75 (prepaid only) to the U.S. Travel Data Center, 1899 L Street NW, Suite 610, Washington, DC 20036. ##

BRIEFS

The survey research firm with whom the Data Center works to produce the monthly National Travel Survey is currently upgrading its computer system.

This has delayed the analysis of the July survey results. Travel Printout apologizes for any inconvenience to its subscribers. ##

CORRECTION

The column headings for the Current Travel Indicators table in September's Travel Printout were mistakenly listed as "September", "% Change from August 1984" and "% Change from September, 1983".

The correct headings should have read: "June", "% Change from May, 1984" and "% Change from June, 1983". ##

States comprising the Census regions:

NEW ENGLAND: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont. MIDDLE ATLANTIC: New Jersey, New York, Pennsylvania. SOUTH EAST: Alabama, Delaware, Florida, Georgia, Kentucky, Maryland, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, West Virginia. EAST NORTH CENTRAL: Indiana, Illinois, Michigan, Ohio, Wisconsin. WEST NORTH CENTRAL: Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota. WEST SOUTH CENTRAL: Arkansas, Louisiana, Oklahoma, Texas. MOUNTAIN: Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming. PACIFIC: Alaska, California, Hawaii, Oregon, Washington.

CURRENT TRAVEL INDICATORS

	July 1984	% Change from June 1984	% Change from July 1983	Year-to-date % change 1984/83
Establishment receipts or retail sales				
Hotels, motels and other lodging places(1)	$ 3,227 million	10.2	16.5	15.0
Eating and drinking places(2)	$10,396 million	0.4	6.9	7.8
Gasoline service stations(2)	$ 8,478 million	- 3.0	- 3.0	3.4
Commercial lodging demand				
Hotel/motel occupancy rate(3)	68.8 percent	5.7	1.5	2.3
Real demand for commercial lodging(4)	$1,121 million	8.2	8.1	6.7
Airline passenger traffic(5)				
Domestic revenue passenger-miles	17.6 billion	- 0.1	1.5	- 1.5
International revenue passenger-miles	6.1 billion	5.7	6.9	13.5
Bus passenger traffic(6)				
Intercity bus passenger-miles	3.0 billion	15.4	- 3.2	- 2.9
Highway traffic volume(7)				
Rural arterial vehicle-miles	44.9 billion	8.0	3.3	5.4
Rail passenger traffic(8)				
Amtrak passenger-miles	484.4 million	0.1	- 0.5	8.8
Travel Price Index(9)	367.3	0.9	4.2	4.7
U.S. resident travel(10)				
Total person-trips	104.9 million	-10.0	-15.5	- 6.8
Vacation person-trips	85.0 million	- 0.6	- 5.0	9.1
Public use of national parks(11)				
Visits	38,264,238	25.8	- 6.5	- 5.7
Overnight stays	4,207,101	32.4	30.3	18.0
Foreign arrivals in U.S.(12)				
From overseas	N/A	N/A	N/A	N/A
From Canada	1,437,85[illegible]	81.0	-21.3	- 5.8
U.S. citizen departures(12)				
To overseas	N/A	N/A	N/A	N/A
To Canada	2,261,229	41.8	- 2.1	2.0
Domestic demand for motor gasoline(13)				
Barrels per day	6,481 thousand	- 7.0	- 3.4	0.9

(1)Source: Laventhol and Horwath, seasonally unadjusted. (2)Preliminary; adjusted for seasonal variation and trading day differences. Source: Bureau of the Census. (3)Source: Laventhol and Horwath, seasonally adjusted. (4)Source: Laventhol and Horwath, unadjusted expenditures for commercial lodging adjusted for inflation since 1972. (5)Preliminary; U.S. scheduled service air carriers. Source: Civil Aeronautics Board. (6)All carriers regular route and charter service. Source: American Bus Association. (7)Source: Federal Highway Administration. (8)Source: National Railroad Passenger Corporation (Amtrak). (9)Source: U.S. Travel Data Center and Bureau of Labor Statistics. (10)Source: U.S. Travel Data Center. (11)Preliminary; unadjusted for differences in reporting units. Source: National Park Service. (12)Source: U.S. Travel and Tourism Administration and Nettleton Travel Research Center. (13)Preliminary; Source: U.S. Department of Energy.

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November 1984 Volume 13, Number 11

TRAVEL INDUSTRY PROVIDED NEARLY HALF OF ALL NEW JOBS IN 1983

The U.S. travel industry, including transportation, accommodation, foodservice and recreation firms, produced 246 thousand additional jobs in 1983, 43 percent of all new jobs for the year.

Travel spending in the U.S. directly supported more than 4.6 million jobs, making the industry the third largest retail or service employer in the nation, following food stores and automotive dealers.

The 1983-84 Economic Review of Travel in America, released recently by the U.S. Travel Data Center, also noted industry receipts outpaced the overall economy in both real and dollar terms in 1983. Overall, travelers in America spent $210 billion, 6.4 percent of the gross national product.

"The travel industry continues to be an abundant source of job opportunities in good economic times and bad," noted Dr. Douglas C. Frechtling, Director of the Data Center. "Our report indicates travel bolsters regional economies throughout the nation."

While the number of foreign visitors to the U.S. declined 1 percent from 1982, to 21.7 million, and their expenditures declined for the second consecutive year, travel spending in America still produced over $25 billion in federal, state and local tax revenue, according to the report.

Travel price inflation fell to an annual growth rate of 4 percent in 1983, the lowest rate in more than a decade. The 80-page report contains charts, tables and narrative on trends in travel and tourism and their economic impact on the U.S. economy from 1973 to the present, and includes chapters on international visitors and regional visitation patterns.

The 1983-84 Economic Review of Travel in America is being sent to Data Center members and is available to others for $45.00 prepaid from the U.S. Travel Data Center, 1899 L Street NW, Suite 610, Washington, DC 20036. ##

U.S. TRAVEL DATA CENTER TO RELEASE 1985 OUTLOOK FOR TRAVEL

Panelists and speakers at the U.S. Travel Data Center's annual Travel Outlook Forum will present their updated remarks, charts and tables in the 1985 Outlook for Travel and Tourism, to be released in mid-January.

The 1985 Outlook will be sent to Data Center members; it will be available on January 20 to others for $75.00 prepaid from the U.S. Travel Data Center, 1899 L Street NW, Suite 610, Washington, DC 20036. ##

TRAVEL ADVERTISING EXPENDITURES ROSE IN 1983

Total advertising expenditures for the travel industry increased by approximately $66 million between 1982 and 1983, a gain of 10 percent, according to a report released in September by Olgilvy & Mather, a New York advertising firm.

Trends in Travel and Tourism Advertising Expenditures, which offers a detailed analysis of advertising expenditures by U.S. and foreign sectors of the travel industry, also reported that advertising expenditures of U.S. states declined 11 percent from 1982 levels. Other domestic destinations such as

(Continued on page 3)

TRAVEL PRICES DECLINE IN SEPTEMBER

Falling airline fares and lodging rates led a 0.2 percent drop in the cost of travel in the U.S. in September, the first decline in nine months, according to the U.S. Travel Data Center's Travel Price Index (TPI).

For comparison, the Consumer Price Index (CPI) rose 0.5 percent on a seasonally unadjusted basis in September 1984.

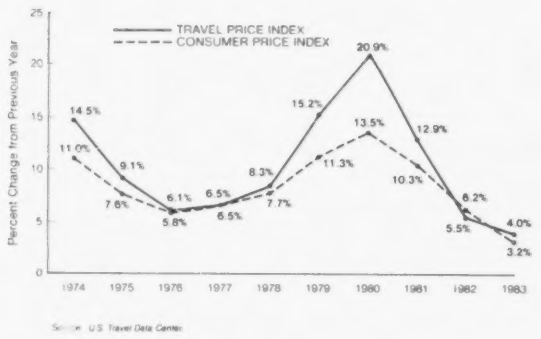
The TPI, which measures changes in the seasonally unadjusted cost of lodging, food, transportation and other goods and services purchased by Americans traveling away from home in this country, dropped to 368.9 in September (1967=100).

Airline fares fell 0.9 percent and lodging out of town decreased 0.7 percent from the previous month. Intercity train fares remained unchanged while taxicab fares rose a mere 0.1 percent in September.

The cost of incidentals, however, climbed 1.0 percent to lead all TPI components, followed by a 0.6 percent increase in entertainment services. Gasoline prices posted their first increase in four months, rising 0.5 percent.

The TPI has increased 3.9 percent since August of last year, slower than the 4.2 percent increase in the CPI. Lodging costs grew 8.1 percent to lead all other components during this period, followed by a 6.5 percent increase in intercity bus fares. Gasoline prices, however, are 5.0 percent lower than one year ago. ##

TRAVEL PRICE INFLATION DECLINED IN 1983



Source: U.S. Travel Data Center

Monthly and Annual Rates of Change in the Travel Price Index and Components, September 1984

TPI Component	Monthly Percent Change August, 1984 to September, 1984	Annual Percent Change September, 1983 to September, 1984
Transportation	0.0	1.3
Airline Fares	- 0.9	6.3
Intercity Bus Fares	0.2	6.5
Intercity Train Fares	0.0	4.7
Taxicab Fares	0.1	2.4
Gasoline	0.5	- 5.0
Lodging	- 0.7	8.1
Food Away From Home	0.1	4.2
Entertainment Services	0.6	5.7
Incidentals	1.0	2.4
TRAVEL PRICE INDEX	- 0.2	3.9
CONSUMER PRICE INDEX	0.5	4.2

Source: U.S. Travel Data Center and U.S. Bureau of Labor Statistics

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JULY TRAVEL DECLINES SUBSTANTIALLY

Travel during July fell nearly 8 percent below year-earlier levels, according to the U.S. Travel Data Center's latest National Travel Survey results.

Following a 0.6 percent drop in June, travel by Americans totaled 115 million person-trips in July 1984, down from 124 million one year earlier. (A person-trip is measured each time anyone goes 100 miles or more away from home.)

The monthly telephone survey reported that vacation travel fell 5 percent below that for July 1983. Travel for business or convention purposes grew substantially, the only travel component to record an increase for the month. Weekend travel, which has declined steadily since June 1983, posted the largest drop during the month, falling nearly 15 percent.

Trips by air increased 6 percent over year-earlier levels, continuing a five-month upward trend, although a drop in the size of travel party resulted in a 4 percent decline in the number of person-trips taken by air. Auto/truck/RV travel fell sharply, showing a 9.6 percent decline from the previous year's level.

Average round-trip distance increased from 780 miles one year ago to 960 miles in July 1984; however, average trip duration remained the same, with Americans spending an average of 5.3 nights away from home.

Although The South attracted the greatest share of travel for all destination regions, 22 percent, the Great Lakes Country region experienced the largest rate of growth and was the major producer of travel for the month. Despite the Olympic Games, travel to the Far West declined.

The survey also showed vacation travel intentions for the next six months remained unchanged from July 1983. Of those planning a vacation trip, 57 percent intend to travel by personal motor vehicle, up 3 percent from one year ago. The number planning to travel by air remained unchanged, 44 percent of the total.

Plans to use commercial lodging increased 1 percent, comprising 41 percent of the total, while the number of travelers planning to stay with friends and relatives declined 6 percent. The average duration of these intended vacation trips is 8.4 nights, up from 8.3 nights in July 1983. ##

(CONTINUED FROM PAGE 1)

cities or territories increased spending on advertising by 40 percent.

Although U.S. flag airlines accounted for about 73 percent of travel advertising expenditures, steamship lines increased their spending by 22 percent in 1983, the highest relative gain over 1982 for any major travel industry sector.

Newspapers garnered the largest share of advertising by both U.S. and foreign flag airlines, as well as steamship lines, and U.S. states bought the largest share of their advertising on radio. Other U.S. destinations advertised most heavily in magazines, as did foreign countries.

Trends in Travel and Tourism Advertising Expenditures is available for $35.00 prepaid from Olgilvy & Mather Inc., 2 East 48th Street, New York, NY 10017. ##

States comprising the Census regions:

NEW ENGLAND: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont. **MIDDLE ATLANTIC:** New Jersey, New York, Pennsylvania. **SOUTH EAST:** Alabama, Delaware, Florida, Georgia, Kentucky, Maryland, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, West Virginia. **EAST NORTH CENTRAL:** Indiana, Illinois, Michigan, Ohio, Wisconsin. **WEST NORTH CENTRAL:** Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota. **WEST SOUTH CENTRAL:** Arkansas, Louisiana, Oklahoma, Texas. **MOUNTAIN:** Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming. **PACIFIC:** Alaska, California, Hawaii, Oregon, Washington.

CURRENT TRAVEL INDICATORS

	August 1984	% Change from July 1984	% Change from August 1984	Year-to-date % change 1984/83
Establishment receipts or retail sales				
Hotels, motels and other lodging places(1)	$ 3,257 million	0.9	11.2	14.4
Eating and drinking places(2)	$11,159 million	7.3	7.1	7.7
Gasoline service stations(2)	$ 9,106 million	7.4	- 2.7	2.6
Commercial lodging demand				
Hotel/motel occupancy rate(3)	64.8 percent	0.0	- 0.6	2.1
Real demand for commercial lodging(4)	$1,114 million	- 0.6	3.1	6.2
Airline passenger traffic(5)				
Domestic revenue passenger-miles	18.8 billion	- 0.2	7.0	- 0.3
International revenue passenger-miles	6.4 billion	5.3	10.1	13.0
Bus passenger traffic(6)				
Intercity bus passenger-miles	3.1 billion	3.3	- 0.6	- 2.5
Highway traffic volume(7)				
Rural arterial vehicle-miles	45.3 billion	0.6	6.7	5.6
Rail passenger traffic(8)				
Amtrak passenger-miles	484.8 million	0.1	- 0.5	7.3
Travel Price Index(9)	369.6	0.6	4.2	4.7
U.S. resident travel(10)				
Total person-trips	132.2 million	26.0	- 1.6	- 5.9
Vacation person-trips	97.1 million	14.2	- 2.9	6.3
Public use of national parks(11)				
Visits	36,147,362	- 5.5	1.8	- 4.2
Overnight stays	3,280,072	-22.0	2.7	14.0
Foreign arrivals in U.S.(12)				
From overseas	N/A	N/A	N/A	N/A
From Canada	1,440,201	0.2	-16.5	- 8.4
U.S. citizen departures(12)				
To overseas	N/A	N/A	N/A	N/A
To Canada	2,402,853	-16.0	26.4	7.8
Domestic demand for motor gasoline(13)				
Barrels per day	6,436 thousand	- 0.7	- 7.3	- 0.2

(1)Source: Laventhol and Horwath, seasonally unadjusted. (2)Preliminary; adjusted for seasonal variation and trading day differences. Source: Bureau of the Census. (3)Source: Laventhol and Horwath, seasonally adjusted. (4)Source: Laventhol and Horwath, unadjusted expenditures for commercial lodging adjusted for inflation since 1972. (5)Preliminary; U.S. scheduled service air carriers. Source: Civil Aeronautics Board. (6)All carriers regular route and charter service. Source: American Bus Association. (7)Source: Federal Highway Administration. (8)Source: National Railroad Passenger Corporation (Amtrak). (9)Source: U.S. Travel Data Center and Bureau of Labor Statistics. (10)Source: U.S. Travel Data Center. (11)Preliminary; unadjusted for differences in reporting units. Source: National Park Service. (12)Source: U.S. Travel and Tourism Administration and Nettleton Travel Research Center. (13)Preliminary; Source: U.S. Department of Energy.

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